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**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK**

SKYLINE GROUP ASIA LIMITED, a/k/a SKYLINE GROUP HK LIMITED	Civil Action No.:
Plaintiffs, -against-	COMPLAINT
TRANSFORM HOLDCO, LLC (t/a SEARS)	
Defendant	

Plaintiff SKYLINE GROUP ASIA LIMITED, a/k/a SKYLINE GROUP HK LIMITED (hereinafter referred to as “Plaintiff”), by and through its undersigned attorneys, alleges on knowledge as to its own acts and otherwise on information and belief as follows:

NATURE OF THE ACTION

1. This proceeding is brought by the plaintiff to enforce the Settlement Agreement (“Agreement”) that the parties executed on or about February 26, 2020. The plaintiff claims against the defendant all damages arising from the defendant’s breach by failing to pay the settlement payment in the total amount of \$205,452.87 on or before March 20, 2020.

JURISDICTION AND VENUE

2. Jurisdiction of this Court is proper under 28 U.S.C. § 1332(a). The Plaintiff is a foreign company duly organized under the laws of China. Defendants in a limited liability company organized and existing under the law of Delaware, and the matter in controversy exceeds the value of \$75,000.

3. This Court has personal jurisdiction over the defendant pursuant to the New York Long-Arm Statute, N.Y.C.P.L.R. §302(a) (as applicable to these proceedings under Rule 4 of the Federal Rules of Civil Procedure) and the Fourteenth Amend of the United States Constitution because the defendant owns and is doing business and otherwise maintains minimum contacts with the State of New York.

4. As the Southern District of New York is the district in which substantial part of the events or omissions giving rise to the claim occurred, venue is proper with this District pursuant to 28 U.S.C. § 1391(b)(2). Venue is also proper with this District pursuant to 28 U.S.C. § 1391(b)(1) & (d).

THE PARTIES

5. Plaintiff is a foreign company duly organized under the laws of China.

6. Upon information and belief, Defendant, Transform Holdco LLC, ("Defendant" or "Transform") is a limited liability company organized and existing under the laws of Delaware, with its principal place of business located at 1170 Kane Concourse, Suite 200, Bay Harbor, Florida 33154. The sole member of Transform is ESL Investment Inc., a corporation organized and existing under the laws of Delaware, with its principal place of business located at 1170 Kane Concourse, Suite 200, Bay Harbor, Florida 33154.

FACTUAL ALLEGATIONS

7. On October 15, 2018, Sears Holdings Corporation (“Sears”) files a Chapter 11 bankruptcy case in the United States Bankruptcy Court for the Southern District of New York.

8. Through the Bankruptcy Court’s Sale Order, Transform purchased substantially all of Sears’ assets, and has been operating Sears’ business in New York.

9. From August to September 2019, through Sears Holdings Global Sourcing Ltd. (HK), the plaintiff shipped three orders of shoes to Transform. The three shipments arrived and were received by Transform on or about on or about August 21, 2019, September 12, 2019 and September 16, 2019.

10. According to the parties’ contract, payment should be made within 30 days of receipt of the goods. Transform failed to pay on time.

11. Upon the plaintiffs’ repeated requests for payment, on or about or about February 26, 2020, the plaintiff Skyline and the defendant Transform signed a Settlement Agreement and Release (“Agreement”). According to the Agreement, the balance for the shipped goods should be paid in three installments. The first installment payment of \$198,333.30 should be made on or before March 6, 2020. The second installment payment of \$120,371.33 should be made on or before March 13, 2020. The third and last installment payment of \$61,435.63 should be made on or before March 20, 2020.

12. On or about March 9, 2020, Transform paid \$174,687.39 to Skyline. The balance of \$205,452.87 remains unpaid as of today.

13. Repeated requests for payments have been made. Transform continues its default.

14. The Agreement provides that in the event that Transform defaults in any of those installment payments, all remaining balance becomes due immediately, along with annual 9% interest accrued starting on the date of default.

15. The Agreement also provides that the defaulting party should pay the non-defaulting party all costs, including attorney's fees, disbursements and costs, in connection with any enforcement action filed with a court.

COUNT I
BREACH OF AGREEMENT

16. The Plaintiff realleges and incorporates by reference all allegations in paragraphs in the above as if fully set forth herein.

17. The parties signed the Agreement which required Transform to make the second installment payment of \$120,371.33 on or before March 13, 2020 and the third and last installment payment of \$61,435.63 on or before March 20, 2020.

18. As of today, Defendant Transform has failed to pay the unpaid balance in the total amount of \$205,452.87.

19. As such, Transform has defaulted and breached the contract.

20. Plaintiff has satisfied all the terms of the Agreement.

21. Due to the breach, the defendant is liable to the plaintiff for all damages as provided under the terms of Agreement.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff demand a judgment against Defendant, for the following:

- a. Awarding the plaintiff compensatory damages in the amount no less than \$205,452.87;
- b. Awarding the plaintiff the 9% interest accrued starting from March 13, 2020.
- c. Awarding the plaintiff the legal fees and costs it has incurred in this action and otherwise enforcing its rights under the Agreement;
- d. Any other relief as the Court may deem just and proper.

Dated: New York, New York

June 23, 2020

/s/

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